

September 19, 2016

Ms. Mary Nichols
Chairman
California Air Resources Board
1001 "I" Street
Post Office Box 2815
Sacramento, California 95812

Subject: Comments on the Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

Dear Ms. Nichols:

The California Cement Manufacturing Environmental Consortium ("CCMEC")¹ provides these comments on the California Air Resources Board's ("CARB's") Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions ("MRR") released on July 19, 2016. CCMEC is commenting to ensure that the amendments to the MRR are effective and efficient in gathering information to meet the stated objectives, which include supporting "California's Cap-and-Trade Regulation by requiring further information to ensure consistency with allocation and the calculation of compliance obligations" and ensuring "that reported GHG emissions data are accurate and complete in order to support California's GHG reduction programs, including the statewide GHG emissions inventory."²

CCMEC provides comments on the following sections of the MRR amendments: Section 95103(h)(1) and (h)(2), Section 95104(f), Section 95105(b), Section 95105(c), and Section 95129(i)(1) and (i)(2)(c).

Section 95103(h)(1) and (h)(2): "(1) Pursuant to section 95103(f), verification of emissions data reports submitted for 2017 data in 2018 must be completed by August 1, 2018. Each year thereafter, verification must be completed by August 1. (2) All covered product data reporting must be reported for 2017 data submitted in 2018, and for each subsequent year."

¹ CCMEC consists of environmental professionals representing CalPortland Company, Cemex, Inc., Lehigh Southwest Cement Company, Mitsubishi Cement Corporation, and National Cement Company of California Inc.

² CARB, *Staff Report: Initial Statement of Reasons for Rulemaking, Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions* at ES-2 (July 19, 2016).

This section proposes to change the annual due date for future verification reports to August 1 from the current deadline of September 1. CCMEC considers that moving the date one month earlier to August 1 is highly problematic and burdensome to the cement industry, because most operators have limited environmental staff available to prepare these reports, and the majority of cement manufacturers have had a difficult time obtaining experienced verifiers to meet the current deadline of September 1. This is especially difficult when CARB changes the verifier guidance, which causes the verifiers to re-examine the recordkeeping or monitoring systems that passed the prior year. Although we understand CARB's desire to obtain data as early as possible, many producers will have difficulty meeting this accelerated deadline. Thus, CCMEC recommends that the submittal date continue to be September 1. Alternatively, CCMEC requests that CARB make recommendations and change requirements to expedite the ability of reporters to initiate the process sooner.

Section 95104(f): "The operator of a facility identified in section 95101(a)(1)(A)-(B) that is subject to the cap-and-trade regulation must include the following information in the emissions data report: . . . (2) A narrative description of what caused the increase or decrease in emissions. Include in this description any changes in your air permit status."

If operators determine that there are changes in emissions, this section requires that a "narrative" be submitted to describe what caused the changes. CCMEC considers that a clarification is necessary to provide guidance as to what constitutes a "change" in emissions. In addition, because over 50 percent of cement plant emissions are from the process itself, such emissions are virtually always subject to variances of more than 5 percent based solely on supply and demand. For this reason, CCMEC proposes that CARB consider including a box to check for "Market Demand" or other commonly used explanations for the "change" in emissions. Furthermore, guidance is necessary to help facilities decide which emissions to consider when making this determination: (1) the facility's total emissions or (2) emissions after biogenic and *de minimis* emissions are deducted.

Section 95105(b): "Copies of any records or other materials maintained under the requirements of 40 CFR Part 98 or this article must be made available to the Executive Officer upon request, within ten days of receipt of such request by the designated representative of the reporting entity."

This section reduces the response time to a CARB Request for Records from 20 days to 10 days. Considering the limited staff available to respond to such requests, only providing 10 days to respond is highly problematic and overly burdensome and will cause potential disruptions in normal operations. CCMEC requests that the response time remain 20 days. Alternatively, CCMEC recommends that CARB insert language to allow flexibility for discussion of an alternative agreement acceptable to both parties. In addition, the rule does not

clearly specify whether the 10 or 20 days are business days or calendar days. CCMEC recommends that CARB revise this section to clarify that the 10 or 20 days are business days.

Section 95105(c): “Each facility operator or supplier that reports under 40 CFR Part 98, each facility operator or supplier with emissions equal to or exceeding 25,000 MTCO₂e (including biomass-derived CO₂ emissions and geothermal emissions), and each facility operator or supplier with a compliance obligation under the cap-and-trade regulation in any year of the current compliance period, must complete and retain for review by a verifier or ARB a written GHG Monitoring Plan that meets the requirements of 40 CFR §98.3(g)(5). For facilities, the Plan must also include the following elements, as applicable: . . . (3) One or more diagrams (simplified block flow or piping and instrumentation diagrams) that provide a clear visual representation of the location and relative position of all measurement devices and sampling locations, as applicable, required for calculating covered emissions and covered product data (e.g. temperature, total pressure, HHV). The diagram(s) must include and label fuel sources, emissions sources, and production processes, as applicable.”

This section discusses the submittal of “simplified block flow or piping and instrumentation diagrams.” If the language only included “simplified block flow diagram,” this request would not be problematic. By adding “piping and instrumentation,” however, the request potentially adds a whole new level of complexity. Considering the array of schematics and their relative complexity applicable to cement manufacturing facilities, CCMEC recommends excluding the “piping and instrumentation” language. Alternatively, CCMEC requests that CARB provide guidance to verifiers on what type of diagrams are sufficient, specify the relevant “production processes” in industry-specific guidance, add sector-specific language on the types of diagrams required, provide examples of the diagrams that CARB would expect to see in such submittals, and confirm that any proprietary aspects of the diagrams, to the extent required, are excluded from any public disclosure.

Section 95129(i)(1) and (i)(2)(c): “(1) In the event of an unforeseen breakdown of CEMS equipment at a combustion unit where the operator uses the Tier 4 Calculation Methodology (40 CFR §98.33(a)(4)) to monitor and report emissions under this article, the operator may request approval from the Executive Officer to temporarily use the Tier 1 Calculation Methodology (40 CFR §98.33(a)(1)) for pipeline quality natural gas, or the Tier 2 Calculation Methodology (40 CFR §98.33(a)(2)) for pipeline quality natural gas, biomass, or municipal solid waste, or the Tier 3 Calculation Methodology (40 CFR §98.33(a)(3)) for other fuels, to calculate combustion emissions during the equipment breakdown period. For cement kiln units where the operator uses the Tier 4 Methodology to report both combustion and process emissions, the operator may request approval from the Executive Officer to temporarily use the clinker-based process emissions calculation methodology provided in 40 CFR §98.83(d). . . . (2) The operator must collect fuel samples and comply with all applicable requirements of the Tier 2 or Tier 3 Calculation Methodology in 40 CFR §98.33(a)(2) or (3), as modified by section

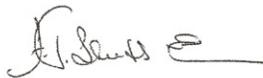
95115 of this article, during the equipment breakdown period. Fuel characteristics data provided by the fuel suppliers can be used if available. The operator must, within sixty days of the monitoring equipment breakdown, submit a written request to the Executive Officer that includes all the following information: . . . (c) An interim monitoring plan that meets the requirements of the Tiers 2 and 3 Calculation Methodologies as applicable by fuel type in section 95115, and, if applicable, the clinker-based process emissions calculation procedure (40 CFR §98.83(d)) used to report cement kiln process emissions.”

This section discusses an unforeseen breakdown of continuous emissions monitoring system equipment used at a combustion and/or process unit(s) using Tier 4 Calculation Methodology to monitor and report emissions. CCMEC requests that CARB clarify the following:

- (1) What is the minimum duration of a breakdown for which it would be acceptable to use an alternate tier?
- (2) Can this be used in lieu of Part 75 or other data substitution methods for extended outages?
- (3) In addition to breakdowns, is it possible to retroactively petition to use an alternate tier instead of using Part 75 data substitution or other data substitution method should an issue be discovered? For example in instances where a facility's CEM was recording data, but the data was not accurate for an extended period of time, would a facility be allowed to calculate emissions with a lower tier's methodology retroactively provided the facility was able to produce the required testing and data to calculate emissions?

CCMEC appreciates the opportunity to provide these comments and recommendations. CCMEC welcomes the opportunity to work with CARB toward successful implementation of the MRR.

Sincerely,



Frank T. Sheets
CCMEC Chairman

cc: Mr. Richard Corey, California Air Resources Board
Ms. Rajinder Sahota, California Air Resources Board
Ms. Brienne Aguila, California Air Resources Board
Mr. Patrick Gaffney, California Air Resources Board